

Star BUSINESS



Remittances all-time high of \$3.75b

Expats sent more before Eid in March, offering relief amid concerns over war fallout on economy

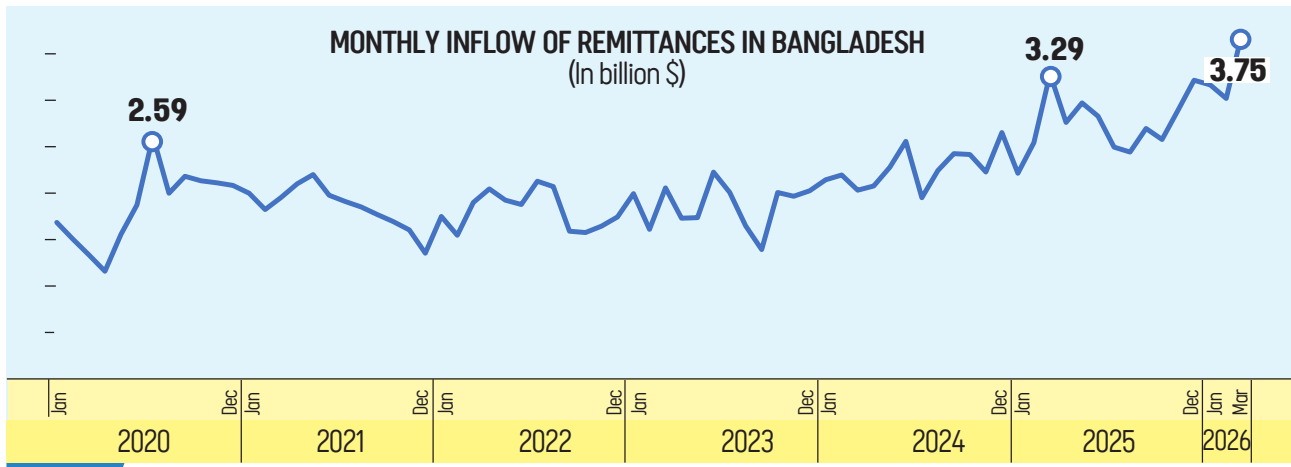
STAR BUSINESS REPORT

Remittance hit \$3.75 billion in March, the highest on record, giving a respite amid deepening worries over the ripple effect on Bangladesh's struggling economy due to the US-Israel war on Iran.

The inflow in March was 14 percent higher than \$3.29 billion in March 2025 as Bangladeshis working abroad sent increased amounts to their loved ones ahead of the Eid-ul-Fitr festival on March 21.

Overall remittance, which acts as a major source for Bangladesh to clear its external payments, rose 20 percent to \$26.20 billion in the July-March period compared to a year ago, according to Bangladesh Bank (BB) data released yesterday.

The surge comes against the backdrop of heightening concern over the possible impact of the war on



remittances in the coming months as the conflict spreads across the Gulf – key employment destinations for Bangladeshi migrant workers.

Nearly 800 Middle East-bound flights from Bangladesh have been cancelled since the war with Iran on February 28, mostly affecting migrant workers.

Last week, the Asian Development Bank (ADB), in a report, said Bangladesh and other South Asian countries could

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Govt will not print money to fund budget

Says finance minister

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The government will not resort to printing money to finance its budget, instead aiming to revive the economy through investment and stronger resource mobilisation, Finance Minister Amir Khosru Mahmud Chowdhury said yesterday. "We do not want to print money," the minister told journalists after a



NBR chairman slams bourses, CDBL for not listing

STAR BUSINESS REPORT

National Board of Revenue (NBR) Chairman Md Abdur Rahman Khan yesterday slammed the country's two premium bourses and the sole securities depository for failing to go public, despite more than a decade having passed since demutualisation.

He expressed his frustration on the matter in a pre-budget meeting with stock market stakeholders held at NBR's auditorium in the capital.

Demutualisation happened in 2013, he said, and the Dhaka Stock Exchange (DSE) should have offloaded shares in the stock market right afterwards.

The Chittagong Stock Exchange (CSE) and Central Depository Bangladesh Ltd (CDBL) should have done it too, he said. However, all three remain unlisted.

"Why haven't you (DSE, CSE, and CDBL) been listed yet?" he posed the question at the meeting.

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Startup investment firm set to launch with Tk 600cr from 39 banks

It eyes Uber, Instagram-style startups, chairman says

MD MEHEDI HASAN

Bangladesh's first large-scale venture capital firm, an investment management company supported by 39 banks, will begin operations next month to address the long-standing funding gap for local startups.

Named Bangladesh Startup Investment Company (BSIC), the firm has raised nearly Tk 600 crore in initial capital. It plans to begin operations on April 30 and invest in at least three startups by June 30.

Guided by the Bangladesh Bank (BB), the BSIC will provide equity financing, strategic support, and opportunities for international co-investment to help promising startups scale, officials said.

"BSIC will serve as a full-service institution for young entrepreneurs," BSIC Chairman Mashrur Arefin, and managing director of City Bank Plc, told The Daily Star.

"It will provide not only funding but also ongoing monitoring and strategic guidance to help businesses grow. We know 90-95 percent of startups fail, but if even a few succeed and one or two reach global markets, that will be a significant achievement. Such successful firms will also generate many new jobs," he added.

The country's startup growth, strong a decade ago, has slowed over the past

two to three years due to tighter global venture capital flows and cautious investors.

Early successes like Pathao and Chaldal attracted foreign funding,

capital to co-invest, helping local entrepreneurs scale and access global technology and expertise.

Between 2027 and 2028, BSIC plans to invest in 8 to 12 startups, and from

BSIC secures Tk 600cr to back emerging startups

Operations start April 30; first investments likely by June

Fund formed under BB using 1% of banks' profits

Investments will be equity-based, not loans

Initial focus on health, agriculture & education

Long-term aim: build global-scale startups

but limited profitable exits, regulatory hurdles, low internet penetration, shifting capital to AI, weak local AI startups, macroeconomic pressures, and political uncertainty have all dampened investor confidence.

BSIC will invest only after a startup demonstrates market demand, has a basic operational setup, and shows growth potential, rather than funding ideas at the concept stage.

Officials said the company will initially focus on ventures in health, agriculture, education, transport, retail, and logistics, offering funding in exchange for equity stakes.

If the selected startups perform well, BSIC will also bring in foreign venture

2029 onward, it aims to exit successful ventures through stock market listings or direct stake sales.

Arefin, also chairman of the Association of Bankers, Bangladesh, said that although the process began under the interim government, new BB Governor Md Mostaqur Rahman has actively overseen its progress. "The governor asked us to focus on developing the rural economy. We will give that high priority," he added.

The long-term goal, Arefin said, is to build globally competitive startups in Bangladesh that could one day rival Uber, Instagram, Facebook, Spotify, or Airbnb, creating large-scale employment.

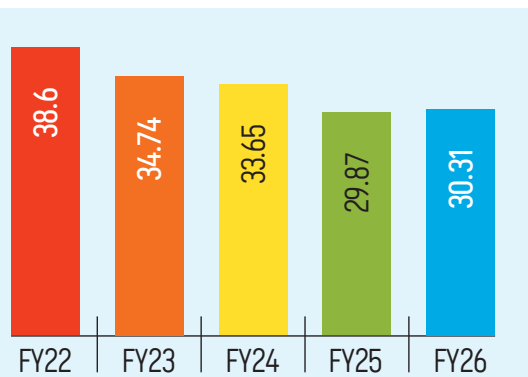
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Development spending trails at 30% as govt transition slows projects

ADP IMPLEMENTATION RATE

(In %)
Jul-Feb period

SOURCE: IMED



MD ASADUZ ZAMAN

Even eight months into the current fiscal year, government agencies have spent barely a third of the annual development budget thanks to administrative inactivity as the interim administration ended its term and a new government assumed office.

In the July-February period of FY2025-26, ministries and divisions used 30.31 percent of their total allocation, according to the Implementation Monitoring and Evaluation Division (IMED).

This is a slight increase from 29.87 percent recorded during the same period last year. In FY24, the implementation rate was higher, at 33.65 percent over the same

timeframe.

Despite the marginal rise in implementation rate compared to FY25, actual spending fell.

ADP expenditure in the first eight months of FY26 stood at Tk 63,327 crore, down from Tk 67,553 crore in the corresponding period of FY25.

Development spending hit a historic low in FY25, with only 68 percent of the revised ADP implemented, the weakest performance since FY1976-77.

Planning ministry officials said last year's disruption followed the fall of the Awami League government in a mass uprising, which prompted many project directors to abandon their posts.

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Plastics sector at risk as supply chains falter

JAGARAN CHAKMA

Bangladesh's plastics industry is facing a severe disruption, as the ongoing US-Israel war on Iran rattles global energy and petrochemical markets, industry insiders say.

With oil flows and key shipping routes like the Strait of Hormuz under strain, raw material supply has tightened sharply.

Manufacturers in the country warn stocks may last only weeks, raising fears of production cuts, higher prices, and pressure on exports.

Resin, the key raw material for plastics, which used to cost around \$900-\$950 per tonne, is now selling at \$1,500-\$1,600, as crude oil prices have surged from about \$60-\$70 per barrel to \$115-\$120, sharply increasing production costs.

The pressure is already visible across factories.

"Some factories are facing shutdown within 10 to 16 days if supplies are not restored," said Anisur Rahman, deputy executive director of Premiaflex Plastics Limited under ACI PLC.

"Some companies have stock for a week, others for a month or two. But beyond that, uncertainty is overwhelming," he said.

Industry insiders noted that the core issue is a supply shortage rather than cost.

"Even if we offer Tk 100 to purchase something that used to cost Tk 10, suppliers cannot deliver," Rahman said.

To cope, manufacturers are funneling raw materials towards producing some selected products, aimed at a specific section of customers who are willing to accept higher prices, he said.

The situation has been further complicated

PLASTICS SECTOR FACES SUPPLY DISRUPTION FROM US-ISRAEL WAR ON IRAN

Raw material stocks may last only weeks

Factories operating at break-even or losses

Some factories risk shutdown within 10-16 days

Supply shortage persists despite higher prices

Oil prices surge to \$115-\$120 per barrel

Domestic plastic market size around \$4 billion

Resin prices nearly doubled to \$1,600 per tonne

Total market \$6-6.5 billion (including exports)

LLDPE prices jump amid Middle East conflict

Number of factories about 6,000

Industry heavily dependent on raw material imports

Employs nearly 1.5 million workers

Contribution to GDP roughly 1%

by difficulties in opening and adjusting letters of credit (LCs), with many suppliers unable to fulfil orders or demanding revised terms.

Prices of LLDPE, a key packaging material, have risen from around \$1,900 to \$2,100-\$2,200 per tonne following the Middle East conflict, while some LLDPE grades are now unavailable.

Rahman said his factory may continue operations for the next one to two months, but

warned that prolonged instability could trigger widespread shutdowns.

The strain is not limited to a segment of the market, but has spread throughout.

RN Paul, managing director of RFL, said the company can continue operations for only about two more weeks using existing inventory amid ongoing supply constraints.

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